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TESTIMONY BEFORE THE HOUSE  
COMMITTEE ON FINANCE

DATE: APRIL 7, 2015

RE: SB 854, SD2, HD2 – REQUIRES LEASED PUBLIC SCHOOL LANDS  
TO BENEFIT PUBLIC EDUCATIONAL PURPOSES

PERSON TESTIFYING: JOAN LEWIS, VICE PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

The Honorable Chair Sylvia Luke, Vice Chair Scott Nishimoto and Members of the Committee:

The Hawaii State Teachers Association (HSTA) **supports SB854, SD2, HD2**, relating to public school lands leased to benefit public educational purposes.

HSTA believes that adequate buildings should be provided to meet the needs of programs such as science, physical education, music, art, industrial arts, audiovisual, and health. This bill requires the pilot project currently underway to include in its consideration of the land usage, “public educational purposes”. This would seem to be the direction the DOE would take as a first step – to provide facilities to meet the educational needs of their students.

HSTA, on behalf of Hawai‘i’s 13,500 public and public charter school teachers **supports SB854, SD2, HD2**.



April 6, 2015

Representative Sylvia J. Luke, Chair  
Representative Scott Y. Nishimoto, Vice Chair  
House Committee on Finance

**Comments Regarding SB 854, SD2, HD2 Relating to Public School Lands (Requires public school lands that are leased to benefit public educational purposes rather than to be used for public purposes; Authorizes the State Department of Education [DOE] to enter into lease-back agreements. )**

**Tuesday, April 7, 2015, at 2:30 p.m., in Conference Room 308**

The Land Use Research Foundation of Hawaii (“LURF”) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF’s mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources, and public health and safety.

**SB 854, SD2, HD2.** The purpose of this bill is to amend Hawaii Revised Statutes (HRS) Section 302A-1151.1 to require public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. The bill also proposes to amend HRS Section 302A-1151.1 to authorize the DOE to enter into lease-back agreements.

**LURF’s Position.** LURF **supports the intent of SB 854, SD2, HD2**, because it supports and furthers innovative methods through which the State may use its assets to obtain funding to benefit Hawaii’s public schools and public school children.

The pilot program to lease public school land under HRS Section 302A-1151.1 was established in recognition of the unmet community development needs of the State, including undercapitalized public school facilities, and the need to cooperate with private enterprise and the various components of government to bring the proposed project to fruition. Legislation enabling the DOE to lease public school land was drafted to state that the DOE was allowed to do so on specified terms, to lessees who would modify, construct, or utilize facilities to “meet public purposes.”

Consistent with this measure, LURF understands that the intent underlying this effort was always to allow the lease and redevelopment of public school lands for any purpose, so long as the revenue from any such redevelopment would be applied toward public educational purposes.

LURF continues to encourage inventive means of utilizing excess and underused public school assets to generate funding for the benefit of public school children, and urges this Committee to continue supporting models and strategies of public private partnerships which have proven successful in Hawaii.

Thank you for the opportunity to provide comments relating to this measure.



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Finance  
Tuesday, April 7, 2015 at 2:30 P.M.  
Conference Room 308, State Capitol**

**RE: SENATE BILL 854 SD2 HD2 RELATING TO PUBLIC SCHOOL LANDS**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) **supports** S.B. 854 SD 2 HD2, which proposed to amend the language of Act 155 SLH 2013 by clarifying that public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes and authorizing the Department of Education (DOE) to enter into lease-back agreements.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

Since its approval in 2013, the DOE has been meeting with government agencies such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting to insure the implementation of Act 155 complies with all applicable laws. In addition, DOE has also been meeting with various private developers to structure a process that complies with all existing laws, and will attract private developers to invest in the redevelopment of underutilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple “lease-back” arrangement.

We strongly encourage the Legislature to approve the proposed amended language that will allow the implementation of Act 155 to proceed in an expeditious manner.

Thank you for the opportunity to express our views on this matter.

# BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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## Testimony to the House Committee on Finance

Tuesday, April 7, 2015

2:30 p.m.

State Capitol - Conference Room 308

### **RE: S.B. 854, S.D. 2, H.D. 2, RELATING TO THE DEPARTMENT OF EDUCATION**

Chair Luke, Vice-Chair Nishimoto, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** S.B. 854 S.D. 2, H.D. 2, which proposes to amend the language of Act 155, SLH 2013, by clarifying that public school lands that are leased to benefit public educational purposes, rather than simply to be used for public purposes, and authorizing the Department of Education (DOE) to enter into lease-back agreements.

Since its approval in 2013, the DOE has been meeting with government agencies such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting (DPP) to insure that the implementation of Act 155 complies with all applicable laws. DOE has also been meeting with various private developers to structure a process that complies with existing laws, and will attract private developers to invest in the redevelopment of underutilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers, and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple "lease-back" arrangement.

We strongly encourage the Legislature to approve the proposed amended language that will allow the implementation of Act 155 to proceed in an expeditious manner.

Thank you for the opportunity to express our views on this matter.



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**LATE**

**Date:** 04/07/2015  
**Time:** 02:30 PM  
**Location:** 308  
**Committee:** House Finance

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Bill:** SB 0854, SD2, HD2 RELATING TO PUBLIC SCHOOL LANDS.

**Purpose of Bill:** Requires public school lands that are leased to benefit public educational purposes rather than simply to be used for public purposes. Authorizes the DOE to enter into leaseback agreements. (SB854 HD2)

**Department's Position:**

The Department of Education (DOE) strongly supports S.B. 854, SD 2, HD 2 to amend the language of Act 155 SLH 2013 by clarifying that the lease of public school lands be for the benefit of public educational purposes, rather than simply to be used for public purposes, and authorizing the DOE to enter into lease-back agreements which support this intent.

Since Act 155 was enacted in 2013, the DOE has been meeting with local government agencies, such as the Office of Environmental Quality Control (OEQC) and the City and County of Honolulu, Department of Planning and Permitting (DPP), to ensure compliance with all applicable laws in each jurisdiction.

In addition, the DOE has met with multiple local private developers to better understand how to structure a process for private development that will comply with all existing laws and also attract investment for the redevelopment of under-utilized DOE facilities.

The proposed bill is in response to comments received in the initial round of discussions with agencies, developers, and other interested parties. It provides clarification in certain areas of the Act and allows for the possibility of a public-private partnership through a simple "lease-back" arrangement.

We strongly encourage the Legislature to approve S.B. 854, SD 2, HD 2, as it will allow the implementation of Act 155 to proceed in an expeditious manner.